SAPURACREST PETROLEUM BERHAD
(Company No : 45631-D)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 JANUARY 2012

THE FIGURES HAVE NOT BEEN AUDITED

I. CONDENSED CONSOLIDATED INCOME STATEMENT

		Individual Quarter		Cumulative Quarter	
		Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
		31/01/2012	**31/01/2011**	**31/01/2012**	**31/01/2011**
		RM'000	RM'000	RM'000	RM'000
1.	**Revenue**	**560,434**	**596,344**	**2,556,402**	**3,179,961**
	Operating expenses	(412,044)	(493,553)	(1,981,192)	(2,719,738)
	Other operating income	8,095	5,028	15,536	9,341
	Profit from operations	156,485	107,819	590,746	469,564
	Interest income	3,339	2,073	9,854	4,195
	Interest expenses	(15,175)	(12,364)	(52,330)	(38,204)
	Net fair value gain on derivatives	1,291	3,511	848	9,241
	Depreciation and amortisation	(34,179)	(23,627)	(96,176)	(90,299)
	Net foreign exchange gain/(loss)	24,222	(3,715)	27,490	(44,628)
	Net (allowance for)/reversal of impairment on receivables	(4,645)	2,809	(4,645)	2,667
	Allowance for impairment on property, plant and equipment	(3,402)	-	(3,402)	-
	Allowance for impairment on investment in a jointly-controlled entity	(643)	-	(643)	-
	Share of results of associated companies and jointly-controlled entities	23,546	27,102	76,292	102,612
	Profit before taxation	**150,839**	**103,608**	**548,034**	**415,148**
	Taxation	(16,093)	(7,566)	(73,488)	(40,633)
	Profit for the year	**134,746**	**96,042**	**474,546**	**374,515**
	Attributable to :				
	Owners of the Parent	76,515	72,672	310,227	231,445
	Non-controlling interests	58,231	23,370	164,319	143,070
		134,746	**96,042**	**474,546**	**374,515**
2.	**Earnings per share (sen)**				
	Basic/Diluted	**5.99**	**5.69**	**24.30**	**18.13**

The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2011.

SAPURACREST PETROLEUM BERHAD
(Company No : 45631-D)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 JANUARY 2012

THE FIGURES HAVE NOT BEEN AUDITED

II. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		**Cumulative Quarter**	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/01/2012	**31/01/2011**	**31/01/2012**	**31/01/2011**
	RM'000	RM'000	RM'000	RM'000
Profit for the year	**134,746**	**96,042**	**474,546**	**374,515**
Other comprehensive income:				
Foreign currency translation differences	(38,114)	(28,137)	(13,306)	(101,495)
Share of other comprehensive income of jointly-controlled entities	1,861	(1,042)	1,189	(3,204)
Total comprehensive income	98,493	66,863	462,429	269,816
Attributable to :				
Owners of the Parent	46,323	51,686	296,152	164,900
Non-controlling interests	52,170	15,177	166,277	104,916
	98,493	66,863	462,429	269,816

The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2011.

SAPURACREST PETROLEUM BERHAD
(Company No : 45631-D)
Incorporated in Malaysia

III. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED As at end of current quarter **31/01/2012** RM'000	**AUDITED** As at preceding financial year end **31/01/2011** RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,446,851	1,019,148
Investment in jointly-controlled entities and associated companies	320,942	229,493
Expenditures on oil and gas properties	178,820	-
Goodwill on consolidation	211,883	149,012
Other intangible assets	8,360	5,676
Deferred tax assets	18,465	9,093
	2,185,321	1,412,422
Current assets		
Inventories	79,747	54,787
Trade and other receivables	1,252,940	1,403,017
Derivative financial assets	355	985
Cash and bank balances	704,911	768,381
	2,037,953	2,227,170
TOTAL ASSETS	**4,223,274**	**3,639,592**
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	255,344	255,344
Share premium	505,337	505,337
Other reserves	(51,933)	(37,858)
Retained profits	612,976	372,969
	1,321,724	1,095,792
Non-controlling interests	332,120	325,618
Total equity	1,653,844	1,421,410
Non-current liabilities		
Borrowings	705,789	402,252
Derivative financial liabilities	1,508	2,322
Deferred tax liabilities	16,082	6,758
	723,379	411,332
Current liabilities		
Trade and other payables	1,120,724	1,385,952
Borrowings	704,873	414,419
Derivative financial liabilities	571	1,235
Taxation	19,883	5,244
	1,846,051	1,806,850
TOTAL LIABILITIES	2,569,430	2,218,182
TOTAL EQUITY AND LIABILITIES	**4,223,274**	**3,639,592**
Net assets per share (RM)	**1.04**	**0.86**

The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2011.

SAPURACREST PETROLEUM BERHAD
(Company No: 45631-D)
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Twelve months to 31/01/2012 RM'000	Audited Twelve months to 31/01/2011 RM'000
Profit before taxation	**548,034**	**415,148**
Adjustments:		
Depreciation and amortisation	96,176	90,299
Interest expenses	52,330	38,204
Interest income	(9,854)	(4,195)
Net fair value gain on derivatives	(848)	(9,241)
Share of results of associates and jointly-controlled entities	(76,292)	(102,612)
Net allowance for/(reversal of) impairment on receivables	4,645	(2,667)
Allowance for impairment on property, plant and equipment	3,402	-
Allowance for impairment on investment in a jointly-controlled entity	643	-
Rig refurbishment costs no longer payable	(4,763)	-
Net unrealised foreign exchange (gain)/loss	(28,967)	24,710
Provision for costs no longer required	(19,980)	(20,517)
Other items	(216)	1,711
Operating profit before working capital changes	564,310	430,840
Changes in working capital		
Increase in inventories	(24,960)	(511)
Decrease/(increase) in trade and other receivables	169,694	(253,385)
Changes in derivatives	-	11,813
Changes in balances with jointly-controlled entities	(23,978)	25,301
(Decrease)/increase in trade and other payables	(251,037)	223,869
Cash generated from operations	434,029	437,927
Interest paid	(28,146)	(36,288)
Taxation paid	(55,673)	(39,815)
Net cash generated from operating activities	**350,210**	**361,824**
Investing Activities		
Purchase of property, plant and equipment	(185,785)	(129,498)
Expenditures on oil and gas properties	(178,820)	-
Purchase of intangible assets	(4,752)	(5,575)
Investment in associate and jointly-controlled entity	(66,025)	(43,904)
Acquisition of subsidiaries	(360,176)	-
Repayment of advances from a jointly-controlled entity	-	43,595
Proceeds from disposal of property, plant and equipment	493	10,821
Dividend from a jointly-controlled entity	38,257	-
Dividend to non-controlling interest of a subsidiary	(157,751)	(176,401)
Other items	9,357	4,147
Net cash used in investing activities	**(905,202)**	**(296,815)**
Financing Activities		
Redemption of Murabahah Commercial Paper (MCPs)	(5,000)	-
Dividend paid	(70,220)	(89,371)
Drawdown/(repayment) of term loans, net	199,945	(41,041)
Drawdown of Ijarah facility, net	101,717	-
Repayment of hire purchase and lease financing	(124,362)	(1,209)
Net changes in short term borrowings	403,683	(3,629)
Net cash generated from/(used in) financing activities	**505,763**	**(135,250)**
Net changes in Cash and Cash Equivalents	**(49,229)**	**(70,241)**
Cash and Cash Equivalents at beginning of year	768,381	875,251
Effect of exchange rate translation	(14,241)	(36,629)
Cash and Cash Equivalents at end of year	**704,911**	**768,381**

Note 1:
Cash and cash equivalents comprise of the following balances:

	RM'000	RM'000
Cash and bank balances	704,911	768,381

The condensed consolidated statement of cash flows should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2011.

SAPURACREST PETROLEUM BERHAD
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V. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Parent					Non-Controlling Interests	Total Equity
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained profits RM'000	Total RM'000	RM'000	RM'000
Twelve months to 31 January 2012 (Unaudited)							
At 1 February 2011	255,344	505,337	(37,858)	372,969	1,095,792	325,618	1,421,410
Total comprehensive income	-	-	(14,075)	310,227	296,152	166,277	462,429
Dividend	-	-	-	(70,220)	(70,220)	-	(70,220)
Dividend to non-controlling interest of a subsidiary	-	-	-	-	-	(157,751)	(157,751)
Acquisition of a subsidiary	-	-	-	-	-	(2,024)	(2,024)
At 31 January 2012	255,344	505,337	(51,933)	612,976	1,321,724	332,120	1,653,844
Twelve months to 31 January 2011 (Audited)							
At 1 February 2010	255,344	505,337	28,687	230,895	1,020,263	397,103	1,417,366
Total comprehensive income	-	-	(66,545)	231,445	164,900	104,916	269,816
Dividend	-	-	-	(89,371)	(89,371)	-	(89,371)
Dividend to non-controlling interest of a subsidiary	-	-	-	-	-	(176,401)	(176,401)
At 31 January 2011	255,344	505,337	(37,858)	372,969	1,095,792	325,618	1,421,410

The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2011.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation and changes in significant accounting policies

The unaudited condensed consolidated financial statements have been prepared in accordance with FRS134, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements for the financial year ended 31 January 2011.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 January 2011 except for the adoption of the new/revised FRSs, Amendments to FRS and IC Interpretations effective for financial period beginning 1 February 2011. The new/revised FRSs, Amendments to FRS and IC Interpretations which are mandatory for annual financial period beginning on or after 1 February 2011 do not give rise to any significant effects on the unaudited condensed consolidated financial statements.

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 January 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has established a project team to plan and manage the adoption of the MFRS Framework.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 January 2012 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 January 2013.

2. Seasonality and cyclicality of operations

The Group's operations are not materially affected by any seasonal or cyclical factors except for severe weather conditions.

3. Unusual items due to their nature, size and incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows for the current financial quarter and financial year under review.

4. Changes in estimates

There were no changes in estimates that have had a material effect in the current financial quarter and financial year under review.

5. Debts and equity securities

There was no issuance, repurchase and repayment of debt and equity securities during the current financial year.

6. Dividend paid

A single tier final dividend of 5.5 sen per ordinary share, totalling RM70.22 million in respect of the financial year ended 31 January 2011 was paid on 15 August 2011.

7. Segment information

	12 months to 31/01/12	
	Segment Revenue	**Segment Results**
	RM'000	RM'000
Installation of Pipelines and Facilities	1,354,171	303,854
Drilling	711,380	342,981
Marine Services	390,578	27,590
Operations and Maintenance	100,273	9,198
		683,623
Others		
Finance costs of debt securities		(23,058)
Investment holding and others		(112,531)
Consolidated revenue / profit before tax	**2,556,402**	**548,034**

8. Subsequent event

(i) On 15 February 2012, the Company had, through its wholly-owned subsidiary Sapura Energy Ventures Sdn Bhd entered into several agreements with Petrofac FPSO Holding Limited ("Petrofac") and Kencana Petroleum Ventures Sdn Bhd ("Kencana") in respect of investment on floating production, storage and offloading vessel ("FPSO") that will form part of the facilities to be provided for the development and production of hydrocarbon resources from Berantai marginal field.

(ii) On 17 February 2012, the Company and Seadrill Limited ("Seadrill") had entered into a conditional joint venture agreement for the proposed joint venture ("Proposed JV") to jointly participate in the building, construction and operation of 3 units of pipe-laying support vessels pursuant to the award by Petróleo Brasileiro S.A to TL Offshore Sdn Bhd, a wholly-owned subsidiary of the Company.

On 19 March 2012, the Company and Seadrill had entered into a supplemental agreement to the JVA ("Supplement JVA").

On 22 March 2012, the shareholders of the Company have approved and passed the resolution pertaining to the Proposed JV at the Extraordinary General Meeting ("EGM").

Saved as disclosed above, there was no material event subsequent to 31 January 2012 to the date of this announcement.

9. Changes in the composition of the Group

(a) On 5 August 2011, the Company had incorporated a new wholly-owned subsidiary in Australia known as Sapura Petroleum (Australia) Pty Ltd ("SPAPL") with an issued and paid-up share capital of Australian Dollar (AUD) 1.00 comprising 1 ordinary share. The intended principal activity of SPAPL is investment holding.

On 8 August 2011, the Company together with SPAPL, a wholly-owned subsidiary of the Company have entered into a conditional master sale and purchase agreement ("SPA") with Clough Limited ("Clough") to acquire from Clough and certain of its subsidiaries, all of Clough's marine construction business for a total purchase consideration of AUD128 million (equivalent to approximately RM412 million) to be fully satisfied in cash ("Proposed Acquisition").

On 26 September 2011, the Company had acquired the entire issued share capital in Momentum Energy Sdn Bhd ("MESB") for a total consideration of RM2.00, comprising 2 ordinary shares of RM1.00 each. Concurrently, MESB had on the even date incorporated a wholly-owned subsidiary in Australia known as Sapura Australia Pty Ltd ("SAPL") with an issued and paid-up share capital of AUD1.00 comprising 1 ordinary share. The intended principal activity of MESB and SAPL is investment holding.

On 26 September 2011, SPAPL had incorporated a wholly-owned subsidiary in Australia known as SC Projects Pty Ltd ("SCPPL") with an issued and paid-up share capital of AUD1.00 comprising 1 ordinary share. The intended principal activity of SCPPL is investment holding.

On 10 October 2011, SAPL had incorporated a wholly-owned subsidiary in Australia known as SC Offshore Pty Ltd ("SCOPL") with an issued and paid-up share capital of AUD1.00 comprising 1 ordinary share. The intended principal activity of SCOPL is investment holding.

Pursuant to a group re-organisation exercise effective 19 October 2011, both the Company and SPAPL had transferred their entire shareholding in SPAPL and SCPPL, respectively to SCOPL. These would make both SPAPL and SCPPL directly held wholly-owned subsidiaries of SCOPL. The purchase consideration of the transfers is AUD1.00 each.

On 14 December 2011, shareholders of the Company have approved and passed the resolution pertaining to the Proposed Acquisition.

On 22 December 2011, the Company, SPAPL and Clough had entered into an amended and restated master SPA and completed the Proposed Acquisition on the same day.

(b) On 1 December 2011, TL Offshore Sdn Bhd, a wholly-owned subsidiary of the Company had incorporated a wholly-owned subsidiary in Bermuda known as SeaBras Sapura Holdco Ltd ("SBSHL"), with an issued and paid up share capital of 100 common shares of USD1.00 each. The intended principal activity of SBSHL is investment holding.

SBSHL had on the even date incorporated two (2) wholly-owned subsidiaries in Bermuda known as TL Offshore PLSV1 Ltd ("TLO PLSV1") and TL Offshore PLSV2 Ltd ("TLO PLSV2") with an issued and paid up share capital of 100 common shares of USD1.00 each for both TLO PLSV1 and TLO PLSV2. The intended principal activities of both company are vessel owning and vessel chartering.

(c) On 8 December 2011, TL Offshore Sdn Bhd, a wholly-owned subsidiary of the Company acquired a wholly-owned subsidiary in Brazil known as Seabras Sapura Participações S.A. ("Seabras Sapura"), with share capital of 900 common shares without par value for which R$90 have been paid up. The intended principal activity of Seabras Sapura is investment holding.

Seabras Sapura has an existing wholly-owned subsidiary in Brazil known as Sapura Navegação Marítima S.A. ("Sapura Navegação"). The share capital of Sapura Navegação consists of 900 common shares without par value for which R$90 have been paid-up. The intended principal activities of Sapura Navegação are vessel owning and vessel chartering.

Save as disclosed above, there was no change in the composition of the Group for the current quarter and financial year ended 31 January 2012.

10. Contingent liabilities

As at 31 January 2012, the Group has provided corporate guarantees of RM517.7 million to financial institutions for credit facilities granted to jointly-controlled entities (as compared to RM496.6 million as at 31 January 2011).

11. Capital commitments

Capital expenditure for property, plant and equipment approved and not provided for in the unaudited condensed consolidated financial statement as at 31 January 2012 are as follows:

Approved and contracted for:

	RM'000
Group	930,813
Share of capital commitment in jointly-controlled entities	740,156
Total	1,670,969

12. Taxation

Taxation comprises the following:

	Current quarter ended 31/01/12 RM'000	Preceding year Corresponding quarter ended 31/01/11 RM'000	Current 12 months to 31/01/12 RM'000	Preceding year Corresponding 12 months to 31/01/11 RM'000
Malaysian Taxation				
- Current taxation	25,221	5,265	84,098	37,441
- (Over)/under provision in respect of prior year	(2,376)	901	(1,872)	(2,432)
Foreign Taxation				
- Current taxation	1,253	1,354	1,281	1,894
- Under/(over) provision in respect of prior year	4,207	(249)	4,207	2,087
Deferred taxation	(12,180)	(1,792)	(14,194)	2,169
- (Over)/under provision in respect of prior year	(32)	2,087	(32)	(526)
	16,093	7,566	73,488	40,633

The effective tax rate for the current quarter and current financial year were lower than the statutory tax rate of 25% principally due to lower tax rates for offshore subsidiary companies.

13. Disposal of unquoted investments and/or properties

There was no disposal of unquoted investments and/or properties during the current quarter and financial year ended 31 January 2012.

14. Quoted securities

There was no acquisition and disposal of quoted securities.

15. (a) Status of corporate proposals announced but not completed

On 11 July 2011, the Board of Directors of the Company received a letter from Sapura-Kencana Petroleum Berhad (formerly known as Integral Key Berhad) (“SKPB”) which sets out SKPB’s offer to acquire the entire business of the Company including all its assets and liabilities as at the completion date (“SapuraCrest Business”) for a total consideration of RM5,872,923,260, equivalent to RM4.60 per ordinary share of RM0.20 each in the issued and paid-up share capital of the Company, multiplied by 1,276,722,448 shares issued as at 8 July 2011 (“Merger Consideration”)(“Offer Letter”)

The Merger Consideration shall be satisfied by the issuance of 2,498,928,847 new ordinary shares of RM1.00 each in SKPB (“SKPB Shares”) at an issue price of RM2.00 per new SKPB Share and a cash payment of RM875,065,566 (“Cash Payment”). Pursuant to the terms of the offer, upon the disposal of SapuraCrest Business, the Company shall, subject to obtaining all requisite approvals, distribute the new SKPB Shares and the Cash Payment to the shareholders of the Company, via a special dividend and/or capital repayment exercise (collectively refer to as the “Proposed Distribution”).

Subsequently on 5 August 2011, the Board resolved to accept the offer by SKPB to acquire SapuraCrest Business for a total consideration of RM5,872,923,260, subject to the terms and conditions contained in the Offer Letter(“Proposed Disposal”).

The Board also resolved that after completion of the Proposed Disposal and subject to all requisite approvals being obtained, the Company will proceed with the Proposed Distribution.

On 21 September 2011, the Board resolved that upon completion of the Proposed Disposal, the Company shall carry out a capital repayment exercise by way of a capital reduction exercise in accordance with Section 64 of the Companies Act,1965, under which all SapuraCrest Shares will be cancelled with the objective of distributing to the shareholders of the Company their entitlement to the Merger Consideration (“Proposed Capital Reduction and Repayment”). The Proposed Capital Reduction and Repayment would be subject to the Company obtaining all requisite approvals including the sanction of the High Court of Malaya.

Applications to the Security Commission (“SC”), including the SC (Equity Compliance Unit), in relation to the offer, have been submitted on 28 September 2011.

On 17 November 2011, SC had granted its approval for the proposed merger of SapuraCrest and Kencana subject to the conditions set out in the SC’s letter dated 17 November 2011.

On 14 December 2011, shareholders of the Company approved and passed the resolution pertaining to the Proposed Disposal and Proposed Capital Reduction & Repayment.

The said proposals are pending fulfillment of certain conditions precedent as set out in the Offer Letter.

Save as disclosed above, there were no other corporate proposals announced but not completed as at the date of this announcement.

(b) Status of utilisation of proceeds

Istisna’ Bonds Proceeds

	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
i)	To finance and/or refinance the cost of investment and/or acquisition of any oil and gas related businesses and/or any oil and gas related assets	90,000	79,342	By June 2012
ii)	For group working capital and/or capital expenditure purposes, which will be Syariah Compliant	30,000	30,000	
iii)	To reimburse the SapuraCrest group for the acquisition of Sarku Clementine	45,000	45,000	
iv)	To buy back Istisna' bonds and Murabahah Medium Term Notes (Islamic Private Debt Securities)	80,000	80,000	
	Total	245,000	234,342	

16. Borrowings

The Group's borrowings as at 31 January 2012 are as follows:

	Long term borrowings			Short term borrowings			Total
	Secured RM'000	Unsecured RM'000	Total RM'000	Secured RM'000	Unsecured RM'000	Total RM'000	RM'000
Domestic Banks	373,656	-	373,656	128,512	435,273	563,785	937,441
Foreign Banks	83,658	-	83,658	47,021	-	47,021	130,679
Debt securities							
- Istisna' Bonds	248,475	-	248,475	-	-	-	248,475
- Murabahah Commercial Papers	-	-	-	94,067	-	94,067	94,067
	705,789	-	705,789	269,600	435,273	704,873	1,410,662

The above includes borrowings in US Dollars equivalent to RM635.5 million and Australian Dollars equivalent to RM28.8 million.

17. Derivative financial instrument

Details of the Group's derivative financial instruments outstanding as at 31 January 2012 are as follows:

	Contract/Notional Amount At 31 January 2012 RM'mil	Asset/(Liability) Fair Value RM'mil
Cross Currency Interest Rate Swap (CCIRS)	245.0	-
	-	
- Less than 1 year	-	(0.6)
- 1 year to 3 years	-	(1.5)
	245.0	(2.1)
Forward foreign currency contracts		
- Less than 1 year	15.6	0.3

The Group entered into forward foreign currency contracts to manage the exposure to foreign exchange risk when it enters into transactions that are not denominated in their functional currencies.

There is no change in respect of the following since the last financial year ended 31 January 2011:

i. the credit risk, market risk and liquidity risk associated with the derivatives;
ii. the cash requirements of the derivatives; and
iii. the policy in place for mitigating or controlling the risks associated with these financial derivatives.

The gain/(loss) arising from fair value changes of financial liabilities is as follows:

Type of financial liability	Current quarter RM'mil	Year to date RM'mil	Basis of fair value measurement	Reasons for gain
CCIRS	0.8	1.5	The fair value is computed using a valuation technique which utilises data from recognised financial information sources including rates from relevant yield curves.	The USD/MYR foreign exchange rate has moved in favour of the Group since the last measurement date.

18. Realised and Unrealised Profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits is as follows:

	Company and Subsidiaries	Jointly Controlled Entities	Consolidation Adjustments	Group Retained Profits
	RM'000	RM'000	RM'000	RM'000
As at 31 January 2012				
Realised profits	327,332	90,297	169,562	587,191
Unrealised profits/(losses)	28,820	(16,975)	13,940	25,785
	356,152	73,322	183,502	612,976

19. Material litigation

There was no material litigation as at the date of this announcement.

20. Review of performance compared to the immediate preceding quarter

The Group revenue for current quarter decreased by 24.9% from RM745.8 million in the preceding quarter to RM560.4 million in the current quarter mainly due to lower activities in the Installation Pipelines and Facilities (“IPF”) division.

However, profit before tax increased from RM136.4 million in the preceding quarter to RM150.8 million in the current quarter due to higher profit before tax in the Offshore Drilling Services (“Drilling”) division.

21. Review of performance for the current quarter to date

Current quarter compared to the corresponding quarter of the preceding year

RM'000	Revenue 3 months to 31/01/12	Revenue 3 months to 31/01/11	Profit Before Taxation 3 months to 31/01/12	Profit Before Taxation 3 months to 31/01/11
Consolidated Total	560,434	596,344	150,839	103,608
Business Segment:				
Installation of Pipelines and Facilities ("IPF")	209,502	277,935	57,182	67,501
Offshore Drilling Services ("Drilling")	190,667	186,946	129,293	43,930
Marine Services ("Marine")	111,137	69,298	1,205	12,793
Operations and maintenance ("O&M")	49,128	62,165	2,983	7,525
Corporate and Others	-	-	(39,824)	(28,141)

Group revenue for the current quarter decreased by 6% to RM560.4 million compared to last year's corresponding quarter of RM596.3 million consistent with clients’ planned activities for the quarter.

Nevertheless, profit before tax increased by 45.6% from RM103.6 million to RM150.8 million principally due to higher contribution from Drilling division.

IPF

For the current quarter, IPF division recorded lower revenue of RM209.5 million compared to RM277.9 million in the corresponding quarter of preceding year. The decrease of 24.6% was mainly due to lower scope of work in Pan Malaysia contracts which was in line with clients’ planned activities for FY2012 however was mitigated by additional international business, contribution from newly acquired business and recognition of settlement on contracts.

Despite a 24.6% reduction in revenue, profit before tax is lower only by 15.3% due to flow through of settlement on contracts.

Drilling

Revenue in Drilling division increased by 2.0% mainly due to recognition of revenue arising from resolution of disputes.

Profit before tax in Drilling division increased by 194.3% from RM43.9 million in preceding year compared to RM129.3 million mainly due to reversal of prior year provision for liability no longer required, reduction in charter cost and recognition of revenue arising from dispute resolution.

Marine

Marine division recorded 60.4% increase in revenue in current quarter from RM69.3 million in the corresponding period of preceding year to RM111.1 million. The increase was mainly due to higher activities from the existing topside major maintenance and hook-up commissioning contract, geotechnical projects and provision of remote operated vehicles ("ROV") services.

Despite the increase in revenue, Marine division recorded a lower profit of RM1.2 million compared to RM12.8 million in the corresponding period of preceding year mainly attributable to reversal of accrued revenue as well as impairment on receivables and fixed assets.

O&M

O&M division revenue for the current quarter was lower by 21.0% from RM62.2 million in the corresponding period in the preceding year to RM49.1 million. The reduction was as a result of completion of contract for the supply of security systems in FY2011 and lower scope of work for gas turbines maintenance services.

Profit before tax for the current quarter was lower by 60.4% from RM7.5 million in the corresponding period in the preceding year to RM3.0 million partly due to lower revenue mentioned above and lower pricing structure driven by competitive market.

Current financial year compared to twelve months of the preceding year

RM'000	Revenue 12 months to		Profit Before Taxation 12 months to	
	31/01/12	31/01/11	31/01/12	31/01/11
Consolidated Total	2,556,402	3,179,961	548,034	415,148
Business Segment:				
IPF	1,354,171	1,900,685	303,854	233,718
Drilling	711,380	804,928	342,981	299,134
Marine	390,578	383,612	27,590	(39,007)
O&M	100,273	90,736	9,198	9,118
Corporate and Others	-	-	(135,589)	(87,815)

Group revenue decreased by 19.6% from RM3.2 billion in the preceding year to RM2.6 billion for the current financial year mainly due to lower activities in IPF and Drilling divisions.

Nevertheless, the overall Group's profit before taxation increased by 32.0% from RM415.1 million to RM548.0 million contributed by IPF, Drilling and Marine divisions.

IPF

IPF division recorded a lower revenue of RM1.4 billion in current financial year compared to RM1.9 billion in preceding year, mainly due to lower scope of works in Pan Malaysia contracts which was in line with clients' planned activities for the year but partially offset by several new contracts executed, contribution from newly acquired business and recognition of settlement on contracts.

Notwithstanding the lower revenue, profit before tax for IPF division has improved by 30.0% from RM233.7 million in the preceding year to RM303.9 million as a result of operational efficiency, reversal of prior year provision for liabilities no longer required and recognition of settlement on contracts.

Drilling

Revenue from Drilling division decreased by 11.6% from RM804.9 million in preceding year to RM711.4 million for the current year ended 31 January 2012. The decrease was mainly due to lower revenue from a drilling rig and rig dry-docking.

Profit before tax increased by RM43.8 million from RM299.1 million in preceding year compared to RM 343.0 million in current year mainly due to reversal of prior year provision for liability no longer required, reduction in charter cost and recognition of revenue arising from dispute resolution.

Marine

Revenue from Marine division marginally increased by 1.8% from RM383.6 million in preceding year to RM390.6 million in current year ended 31 January 2012, which was contributed by higher revenue in ROV services and higher activities in geotechnical services in the year. However the increase in revenue was offset by completion of certain contracts for topside major maintenance and hook-up commissioning in FY2011.

Marine division recorded a turnaround from loss of RM39.0 million in the preceding year compared to profit of RM27.6 million in the current financial year ended 31 January 2012. The improved results were mainly due to completion of prior year's contract and reversal of cost no longer required.

O&M

O&M division recorded a 10.5% increase in revenue mainly due to revenue generated from supply of turbo machinery spare parts for gas turbines.

Despite the higher revenue, profit before tax for the division increased by only 0.9% mainly due to lower pricing structure driven by competitive market.

22. (a) Prospects for the financial year ending 31 January 2013

As mentioned in Note 15(a), upon the completion of the merger which is expected to be within the financial year ending 31 January 2013, the Directors expect that the Group will contribute positively to the new entity.

(b) Revenue or profit estimate, forecast, projection or internal targets

The Company has not provided any revenue or profit estimate, forecast, projection or internal targets in any previous announcement or public document.

23. Variance of actual profit and forecast/shortfall in profit guarantee

The Company has not provided any forecast or profit guarantee in any previous announcement or public document.

24. Dividend

The Board of Directors does not recommend any dividend for the current quarter under review.

25. Earnings per share

Basic/diluted	Individual Quarter 3 months to 31/01/12	Individual Quarter 3 months to 31/01/11	Cumulative Quarter 12 months to 31/01/12	Cumulative Quarter 12 months to 31/01/11
Profit attributable to owners of the Parent (RM'000)	76,515	72,672	310,227	231,445
Number of ordinary shares in issue ('000)	1,276,722	1,276,722	1,276,722	1,276,722
Basic/diluted earnings per share (sen)	5.99	5.69	24.30	18.13

By Order of the Board

Selangor
30 March 2012

Aliza Ashari
Poh Phei Ling

Company Secretaries